

Message Text

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TO AMEMBASSY PANAMA PRIORITY

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E.O. 11652: N/A

TAGS: PEPR, PN

SUBJECT: WEEKLY ACTIVITIES REPORT (FEB 27-MAR 3)

1. CONGRESS:

A. THE TREATY DEBATE, NOW NEARLY THREE WEEKS OLD, IS
MOVING VERY SLOWLY. THIS WEEK, THE SENATE CONSIDERED EIGHT
AMENDMENTS TO ARTICLE I OF THE NEUTRALITY TREATY. MAJORITY
LEADER BYRD INTENDS TO TAKE UP ARTICLE II NEXT WEEK.

ON MONDAY, A PROPOSED AMENDMENT BY SENATOR HATCH WHICH
WOULD HAVE SPECIFIED THAT THE ENGLISH TEXT PREVAIL WAS
DEFEATED BY A VOTE OF 58 TO 26. NEVERTHELESS, THIS
ISSUE CONTINUES TO SURFACE. SENATOR ALLEN CITED 168
DIFFERENCES BETWEEN THE SPANISH AND ENGLISH TEXTS. SENATOR
CHURCH PRODUCED A LETTER FROM STATE DEPARTMENT TRANSLATOR
JORGE PEREZ CERTIFYING THAT HE FOUND ONLY ONE DISCREPANCY,
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AND IT WAS NONSUBSTANTIVE.

IN GENERAL, THE PROPOSITORS HAVE BEEN DEFEATING AMENDMENTS
BY A 2 TO 1 MARGIN. CLOSER MARGINS HAVE BEEN ON AMENDMENTS
TO ARTICLE I TO CONTINUE A U.S. PRESENCE PAST 2000 IF THE
U.S. IS AT WAR OR IF THE PANAMANIAN GOVERNMENT IS UNDER THE

INFLUENCE OF A FOREIGN POWER. FURTHER AMENDMENTS TO ARTICLE I WILL BE CONSIDERED EARLY NEXT WEEK.

ON TUESDAY, SENATOR MUSKIE PRESENTED THE FINDINGS OF THE SENATE BUDGET COMMITTEE CONCERNING THE FINANCIAL IMPLICATIONS OF THE TREATIES. THE COMMITTEE CONCLUDED THAT WHILE THE PCCOMMISSION WILL NOT REQUIRE APPROPRIATIONS DURING THE TREATY PERIOD, THERE WILL BE A DIRECT COST OF DOLS 34 MILLION A YEAR FOR THE LIFE OF THE TREATY FOR INTERNAL U.S. PROGRAMS SUCH AS EARLY RETIREMENT BENEFITS AND MILITARY RELOCATION COSTS.

ON THURSDAY, SENATOR HATCH POSED 37 QUESTIONS ON DEFENSE MATTERS RANGING FROM THE PROPRIETY OF USING EXECUTIVE AGREEMENTS TO ESTABLISH OUR DEFENSE PRESENCE IN PANAMA, TO THE RELIABILITY OF THE PANAMANIAN NATIONAL GUARD.

B. IT IS EXPECTED THAT A DRAFT OF THE IMPLEMENTING LEGISLATION WILL REACH KEY CONGRESSIONAL FIGURES BY MONDAY AT THE LATEST. THIS DOES NOT CONSTITUTE SUBMISSION OF THE LEGISLATION ITSELF, BUT RATHER THE PROVISION OF A DRAFT TO THOSE WHO HAVE ASKED FOR IT, INCLUDING SENATORS BYRD AND BAKER. AMBASSADOR JORDEN IS BRINGING A COPY OF THE DRAFT LEGISLATION WITH HIM WHEN HE RETURNS.

C. AN UNCLASSIFIED VERSION OF THE TRANSCRIPT OF THE CLOSED LIMITED OFFICIAL USE

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SESSIONS OF THE SENATE COVERING THE REPORT OF THE SENATE SELECT COMMITTEE ON INTELLIGENCE ON DRUG TRAFFICKING WILL BE PUBLISHED IN THE CONGRESSIONAL RECORD FOR MARCH 3. THE TRANSCRIPT, WHICH WILL INCLUDE AN UNCLASSIFIED SUMMARY OF THE DEA DOCUMENTS REVIEWED BY THE COMMITTEE, HAS BEEN EDITED TO DELETE INFORMATION FROM USG OFFICIAL DOCUMENTS THAT DEALS WITH INTELLIGENCE METHODS AND SOURCES OR WHICH, IN THE VIEW OF THE DEPARTMENT, MIGHT SERIOUSLY HARM U.S.-PANAMANIAN RELATIONS. HOWEVER, THE PUBLISHED TRANSCRIPT WILL CONTAIN DOCUMENTS FROM SOURCES (MANY NOT CLEARLY IDENTIFIED OR OF DUBIOUS RELIABILITY) OUTSIDE THE EXECUTIVE BRANCH THAT REFLECT UNFAVORABLE ON HIGH PANAMANIAN OFFICIALS.

2. CEMETERIES: HEARINGS ON ADMINISTRATION PLANS FOR THE MT. HOPE AND COROZAL CEMETERIES WERE HELD MARCH 1 BEFORE THE HOUSE SUBCOMMITTEE ON CEMETERIES AND BURIALS. DICK WYROUGH REPRESENTED THE DEPARTMENT. CHAIRMAN CARNEY EXPRESSED HIS PERSONAL PREFERENCE FOR KEEPING THE 1508 AMERICAN REMAINS IN PLACE AT MT. HOPE AND OBTAINING PERPETUAL CARE RIGHTS FROM PANAMA FOR BOTH MT. HOPE AND COROZAL. HE ALSO EXPRESSED THE HOPE THAT WE COULD CONCLUDE

NEGOTIATIONS WITH PANAMA ON THIS ISSUE WITHIN THREE MONTHS.

THERE WERE INDICATIONS AFTER THE HEARINGS THAT THE FULL COMMITTEE WOULD SUPPORT THE AMERICAN BATTLE MONUMENTS COMMISSION PROPOSAL.

3. M/V CAROLINA: AS THE EMBASSY IS AWARE, THE CAROLINA WAS SEIZED BY THE COAST GUARD AS IT ENTERED U.S. TERRITORIAL WATERS ON THURSDAY. THE CG CUTTER STEADFAST, RETURNED TO ITS PATROL STATION TO SEARCH FOR THE BIGGER DRUG RUNNER FOR WHICH THE CG BELIEVES THE CAROLINA MAY HAVE BEEN ACTING AS A DECOY.

4. BARLETTA: BARLETTA SPOKE BEFORE A MIXED GROUP OF TRADE LIMITED OFFICIAL USE

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AND BUSINESS ASSOCIATIONS ON FEB 28 IN SAN FRANCISCO WHERE HE RESPONDED IN THE FOLLOWING MANNER TO A QUESTION ON PANAMA'S INTERPRETATION OF WHAT WOULD HAPPEN SHOULD THERE BE AN UNPAID BALANCE IN 1999 OF THE SECOND DOLS 10 MILLION FROM TOLL REVENUES: BEGIN QUOTE. ACTUALLY THIS QUESTION REFERS TO THE FACT THAT IN THE TREATIES PANAMA SHOULD BE GETTING DOLS 10 MILLION A YEAR FROM THE REVENUES OF THE CANAL OPERATION AND AN ADDITIONAL DOLS 10 MILLION IF THE REVENUES PERMIT. IF REVENUES DO NOT PERMIT, THE DEFICIT WILL BE ACCUMULATED TO BE PAID BY REVENUES FROM LATER YEARS. IF THERE IS AN ACCUMULATED DEFICIT BY THE TIME THE TREATY ENDS, IN 1999, THAT'S IT, THE U.S. IS NOT COMMITTED TO MAKE IT UP IF SUCH AMOUNT HAS NOT BEEN ABLE TO BE COLLECTED FROM THE REVENUES OF THE CANAL OPERATION. WE DO NOT HOPE IN OUR INTERPRETATION OF THIS CLAUSE OF THE TREATY, THAT THE U.S. IS COMMITTED TO PAY ANY SUCH DEFICIT THAT MIGHT HAVE ACCUMULATED. HOWEVER, I WOULD LIKE TO SAY, THAT IN OUR ESTIMATION, THE REVENUES OF THE CANAL AND ALL THE PROJECTIONS AND STUDIES THAT HAVE BEEN MADE SHOULD BE ABLE TO COVER THIS SECOND DOLS 10 MILLION THAT SHOULD COME TO PANAMA IF REVENUES PERMIT, SO I DON'T FORESEE MUCH OF A PROBLEM IN RESPECT TO DEFICIT. BUT IF SUCH A DEFICIT IS ACCUMULATED AND IS PENDING WHEN THE TREATY ENDS, THEN THE U.S. IS NOT COMMITTED TO MAKE IT BACK FROM THE U.S. TREASURY. UNQUOTE.

5. AMBASSADORIAL AUTHORITY: OBJECTIONS HAVE BEEN RAISED BY DOD WITH RESPECT TO THE AMBASSADOR'S AUTHORITY EXTENDING TO THE PROPOSED PANAMA CANAL COMMISSION. OUR VIEW CONTINUES TO BE THAT THE AMBASSADOR SHOULD HAVE COORDINATING RESPONSIBILITY WITH RESPECT TO THE CANAL COMMISSION COMPAREABLE TO WHAT OTHER AMBASSADORS HAVE EVERYWHERE IN THE WORLD THE ISSUE WILL BE DISCUSSED FURTHER WITH DOD IN THE NEAR LIMITED OFFICIAL USE

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FUTURE.

6. MEDIA: MEDIA COVERAGE IS HEAVY AS THE CANAL TREATY DEBATES CONTINUE IN THE SENATE. SO FAR, 114 OF THE PUBLIC

BROADCASTING SERVICE'S 210 STATIONS ARE CARRYING THE FULL DAILY BROADCASTS WITH 40 MORE PICKING UP A 90-MINUTE EVENING PROGRAM OF HIGHLIGHTS.

ONE RESULT OF THESE BROADCASTS HAS BEEN A SUBSTANTIAL INCREASE IN CALLS FROM MEDIA THROUGHOUT THE COUNTRY TO THE TREATY PUBLIC AFFAIRS OFFICER WANTING FURTHER DETAILS OR CLARIFICATION OF SOME OF THE ISSUES BEING DISCUSSED IN THE SENATE. ALL TV NETWORKS CONTINUE TO INTERVIEW INDIVIDUALS FROM OPPOSING SIDES ON THEIR MAJOR NEWS AND TALK SHOWS. SENATOR THOMAS MCINTYRE (D-NH), WHO ANNOUNCED HIS SUPPORT OF THE TREATIES THIS WEEK RECEIVED EXTENSIVE COVERAGE. THE WASHINGTON POST DEVOTED MORE THAN HALF OF ITS FRIDAY OP-ED PAGE TO EXCERPTS OF MCINTYRE'S SPEECH IN WHICH HE DENOUNCED THE TACTICS OF TREATY OPPONENTS AND WARNED OF "AN OMINOUS CHANGE TAKING PLACE IN AMERICAN POLITICS" REPRESENTED BY THE CONSERVATIVE "NEW RIGHT." WIDESPREAD COVERAGE WAS GIVEN TO THE REPLACEMENT OF MOISES TORRIJOS BY HIS BROTHER HUGO. CHRISTOPHER

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